



Department
for Business
Innovation & Skills

**EMPLOYER OWNERSHIP OF
SKILLS – PILOT SCHEME**

State Aid Guidance

JANUARY 2015

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Employer Ownership of Skills – Pilot Scheme – State Aid Guidance

This guidance confirms the State Aid UK and EC legal basis under which the Employer Ownership of Skills Pilot operates. The document sets out the scheme’s objectives, scope, duration, form of aid, eligible costs, aid intensities, budget and monitoring and reporting requirements. It offers also advice on where to get more detailed information on State Aid regulations.

State Aid Guidance for Employer Ownership of Skills – Pilot Scheme

State aid reference no: SA39289

1. Member State

United Kingdom

2. Region

United Kingdom

3. Title of aid scheme

Employer Ownership of Skills Pilot

4. UK legal basis

The employer projects arising from the employer ownership pilot will be funded using the Secretary of States powers under section 14 of the Education Act 2002.

<http://www.legislation.gov.uk/ukpga/2002/32/contents>

5. EC Legal basis

Aid provided under this scheme will be in compliance with GBER. GBER means:

Where funding has been provided on or after 1 July 2014: the European Commission Regulation (EU) N°651/2014 of 17 June 2014 declaring certain categories of aid compatible with the internal market in application of Articles 107(3) and 108(3) of the Treaty on the Functioning of the European Union.

<http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32014R0651&from=EN>

6. Objective of the Scheme

The aims of the scheme are:

- Increase the impact of work readiness, workforce development and Apprenticeships activity

- Employers are better able to secure the training they need by having the influence they require over quality and content and can shape training provision to meet their needs
- Collaboration amongst employers to address cross-sector or supply chain skills challenges is increased
- Employer leadership, commitment and investment in skills is increased, including the involvement of employers who do not have a track record of investing in skills.

7. Government body authorised to implement the scheme

Department for Business Innovation and Skills

8. Scope of the Scheme

The Scheme will be open to all employers irrespective of size and sector in England

9. Duration of the Scheme

Aid under this Scheme will be granted from 17 June 2014 to March 2017

10. Form of aid

Aid will be awarded by way of grants

11. Eligible Costs

The relevant eligible cost is:

Where using Article 31 the eligible costs of a training aid project shall be:

- (a) Trainers' personnel costs, for the hours during which the trainers participate in the training;
- (b) trainers' and trainees' operating costs directly relating to the training project such as travel expenses, materials and supplies directly related to the project, depreciation of tools and equipment, to the extent that they are used exclusively for the training project. Accommodation costs are excluded except for the minimum necessary accommodation costs for trainees' who are workers with disabilities;
- (c) costs of advisory services linked to the training project;
- (d) trainees' personnel costs and general indirect costs (administrative costs, rent, overheads) for the hours during which the trainees participate in the training.

12. Aid Intensities

The aid intensity shall not exceed 50 % of the eligible costs. It may be increased, up to a maximum aid intensity of 70 % of the eligible costs, as follows:

- (a) by 10 percentage points if the training is given to workers with disabilities or disadvantaged workers;
- (b) by 10 percentage points if the aid is granted to medium-sized enterprises and by 20 percentage points if the aid is granted to small enterprises.

13. Budget

The maximum allocation of funds under this Scheme over the period 17 June 2014 to March 2017 is £225m. Please note BIS does not expect equal levels of spending across each year.

14. Monitoring and reporting requirements

All recipients of aid under the scheme will be informed that aid has been provided under the Scheme.

Records will be kept for 10 years from the date that the last award of aid under the Scheme is made and records will be sufficiently detailed to establish that conditions of the Scheme are met.

An annual report of expenditure of the Scheme will be provided to the Commission.

Contact Information

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